

PORT OF SOUTH WHIDBEY ISLAND
Island County, Washington
January 1, 1992 Through December 31, 1994

Schedule Of Findings

1. The District Should Improve Controls Over Cash Receipts

During our audit of the district's cash receipts we found the following weaknesses with internal control.

- a. Port officials do not issue prenumbered receipts for moneys received from local sources. Also, one person is responsible for receiving money and preparing the bank deposit.

We recommend district officials use prenumbered receipts, printed with the port's name to record all district revenues. Each receipt should indicate mode of payment (i.e., cash or check).

We also recommend a port official independent of the person receiving the money review the bank deposit to ensure it agrees with receipts in total, and by mode of payment. This will help ensure all district moneys are deposited with the bank intact.

- b. One port official collects money from parking lot customers, deposits cash in the bank, and submits checks to the port clerk, without any oversight by another port official. Checks are deposited with the port clerk monthly.

We recommend permits for parking be prenumbered and the number series be monitored by the port clerk to ensure all proceeds from permit sales are deposited with the bank.

We also recommend that the port clerk, or another official, perform periodic vehicle counts to ensure that money submitted for parking lot fees agrees with that independent count.

State law requires the district to properly account for financial activity in RCW 43.09.200 which states in part:

The accounts shall show the receipt, use, and disposition of all public property, and the income, if any, derived therefrom; all sources of public income, and the amounts due and received from each source; all receipts, vouchers, and other documents kept, or required to be kept, necessary to isolate and prove the validity of every transaction.

The conditions described above prevented us from giving assurance that revenue shown on the district's financial statements is complete.

We recommend that port officials take action to correct the above weaknesses and

strengthen internal controls.